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Hi

That is correct. [Here is an example if it helps.](#)

Taxpayer, a professional gambler, has \$400 of wagering gains, \$500 of wagering losses, and \$200 of business expenses. The taxpayer must report the \$400 of wagering gains as gross receipts. The taxpayer then may subtract only \$400 of his \$500 of wagering losses from gross receipts, completely offsetting his \$400 of wagering gains. The taxpayer may not carry over the excess \$100 of (unused) wagering losses to offset wagering gains or other (non-wagering) income in another taxable year. The taxpayer may then, also, deduct the \$200 of business expenses.

[Hope this helps,](#)